

JAN 31 2005

**EMPLOYER STATUS DETERMINATION**  
**Canadian Pacific Finance, Inc.**

This is the decision of the Railroad Retirement Board regarding the continued status of Canadian Pacific Finance, Inc., as an employer under the Railroad Retirement Act (45 U.S.C. § 231, et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351, et seq.) (RUIA).

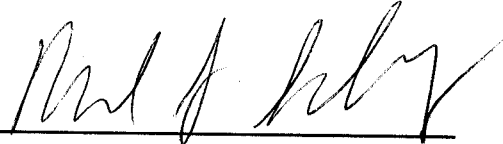
Canadian Pacific Finance was held to be an employer under the Acts effective January 24, 1991, (B.A. Number 9624). On December 21, 2004, Canadian Pacific Finance's parent company, Soo Line Railroad Company, a covered employer under the Act (B.A. Number 1606), advised that on December 31, 2004, Canadian Pacific Finance would be merged into Soo Line. All of the employees of Canadian Pacific Finance would become employees of Soo Line, and all of the assets of Canadian Pacific Finance would become employees of Soo Line.

Section 202.11 of the Board's regulations provides that:

The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

Through the merger into its parent, Soo Line, Canadian Pacific Finance has lost the characteristics essential to the existence of an employer status. Accordingly, the Board holds that Canadian Pacific Finance ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on December 31, 2004. Cf. Rev Ruling 82-99, 1982-2 C.B. 154, wherein the Internal Revenue Service ruled that a

railroad ceases to be an employer subject to taxes under the Railroad Retirement Tax Act when the railroad's employees stop performing services in connection with the railroad's carrier activities.

  
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